

Message Text

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62

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PA-02 USIA-15 PRS-01 SP-02

AID-05 L-03 OMB-01 /059 W

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 2085

INFO TREASURY WASHDC

UNCLAS MEXICO 11405

EO 11652: NA

TAGS: EGEN, ELAB, MX

SUBJECT: MINIMUM WAGE INCREASES

1. TRIPARTITE COMMISSION (BUSINESS, LABOR AND GOM) HAS ANNOUNCED NEW MINIMUM WAGES FOR MEXICO'S 89 ECONOMIC ZONES. INCREASE RANGE FROM 17.5 PERCENT TO 33.8 PERCENT FOR GENERAL MINIMUM WAGES. MINIMUM WAGE INCREASES FOR SPECIFIC JOB CATEGORIES, I.E. PROFESSIONAL MINIMUM WAGES, INCREASED BY SOMEWHAT HIGHER PERCENTAGES. APPROX 5 MILLION WORKERS ARE SAID TO BENEFIT FROM HIGHER MINIMUM WAGES. TOTAL WORK FORCE IS ABOUT 15.5 MILLION. INCREASE IN FEDERAL DISTRICT'S GENERAL MINIMUM WAGE IS 24 PERCENT, FROM 63.4 PESOS TO 78.6 PESOS (US\$6.29) PER DAY. HIGHEST GENERAL MINIMUM WAGE IS IN NORTHERN BAJA CALIFORNIA WHERE IT WAS INCREASED BY 17.6 PERCENT TO 99.8 PESOS. GOM OFFICIALS SAY AVERAGE INCREASE IS 21 PERCENT.

2. NEW MINIMUM WAGES WILL GO INTO EFFECT JAN. 1, 1976. PRESENT MINIMUM WAGES WENT INTO EFFECT OCT. 8, 1974.

3. LABOR LEADERS SEEM REASONABLY CONTENT WITH INCREASES, THOUGH SOME HAVE SAID INCREASES IN COST OF LIVING EXCEED MINIMUM WAGE INCREASES. ONE LABOR LEADER CALLED FOR PRICE FREEZE TO PREVENT INCREASES FROM EVAPORATING AND

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MAINTAINED HIGHER WAGES SHOULD INCREASE QUOTE COMMERCE

UNQUOTE. NATIONAL CONSUMER PRICE INDEX INCREASED 15.8 PERCENT FROM SEPT. 1974 TO OCT. 1975, LATEST MONTH FOR WHICH DATA IS AVAILABLE. BUSINESS LEADERS HAVE SAID INCREASES ARE EXCESSIVE AND WILL LEAD TO CONTINUED INFLATION. ONE BUSINESSMAN SITTING ON TRIPARTITE COMMISSION SAID DISCUSSIONS WERE MORE ACRIMONIOUS THAN EVER BEFORE AND THAT INCREASES WERE BASED LARGELY ON RECOMMENDATIONS MADE BY COMMISSION'S PROFESSIONAL STAFF. HE ALSO SAID THAT WAGE INCREASES NOT MATCHED BY PRODUCTION OR PRODUCTIVITY INCREASES. SECRETARY OF LABOR GALVEZ BETANCOURT SAID INCREASES ARE NEITHER EXCESSIVE OF INFLATIONARY AND IN NO WAY SHOULD INCREASE PRICES.

4. COMMENT: INCREASES APPEAR TO INDICATE THAT GOM IS NOT YET PREPARED TO TACKLE ITS INFLATION PROBLEMS THROUGH ANY TYPE OF INCOME POLICY EVEN THOUGH IT HAS DOMINANT VOICE ON TRIPARTITE COMMISSIONS.
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Message Attributes

Automatic Decaptioning: X
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Decaption Note:
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Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
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